

**CONTRACT #19**  
**RFS # 318.66-032**

**Department of F&A**  
**Bureau of TennCare**

**VENDOR:**  
**Preferred Health Plan**

## REQUEST: NON-COMPETITIVE AMENDMENT

RECEIVED

JUN 09 2006

FISCAL REVIEW

APPROVED

Commissioner of Finance &amp; Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required.  
 A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT  
 CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

|  |  |                      |    |
|--|--|----------------------|----|
| RFS #  | 318.66-032   |                      |    |
| STATE AGENCY NAME :  | Department of Finance and Administration, Bureau of TennCare   |                      |    |
| SERVICE CAPTION :  | Managed Care Organization Services/Medically Necessary Health Care Services to the TennCare/Medicaid Population  |                      |    |
| CONTRACT #   | FA-02-14863-00   | PROPOSED AMENDMENT # | 10 |
| CONTRACTOR :   | Preferred Health Plan  |                      |    |
| CONTRACT START DATE :  | July 1, 2001   |                      |    |
| CURRENT, LATEST POSSIBLE END DATE :<br>(including ALL options to extend)                                 | 12/31/2006   |                      |    |
| CURRENT MAXIMUM LIABILITY :  | \$1,284,647,527.67   |                      |    |
| LATEST POSSIBLE END DATE <u>WITH</u> PROPOSED AMENDMENT :<br>(including ALL options to extend)           | 12/31/2006   |                      |    |
| TOTAL MAXIMUM COST <u>WITH</u> PROPOSED AMENDMENT :<br>(including ALL options to extend)                 | \$1,308,000,470.00   |                      |    |
| APPROVAL CRITERIA :<br>(select one)  | <input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state<br><input type="checkbox"/> only one uniquely qualified service provider able to provide the service |                      |    |
| ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text) |  |                      |    |
| (1) description of the proposed additional service and amendment effects :                               |  |                      |    |

This amendment provides modifications to MCO language including: (1) Fraud and Abuse clarification regarding MCOs investigative work in conjunction with the Office of Inspector General; (2) Redefine targets to move away from trends and provide consistent benchmarks among MCOs, including increasing EPSDT benchmark to 80; (3) Modify Credentialing to 30 day performance standard from receipt of completed application for reviewing and loading into system; add LD for non-compliance; (4) Revise Liquidated Damages to add specific LDs, clarify language of compliance with notice requirements vs. appeals, and provide consistency with Middle TN RFP Pro Forma; (5) Update benefit package to reflect current requirements for July 1 including soft limits and cost effective use of Chiropractic services; (6) Update Appeal language to reflect recent Grievance filings; (7) Revise provider payment requirement to reflect current operations, TPL, Utilization Summaries and 1099; (8) Make revisions for consistency throughout the Agreement, including EPSDT, Provider Agreement, and Reporting; and (9) Provide funding to continue services for additional six month period.

**(2) explanation of need for the proposed amendment :**

This amendment is needed to make above modifications as well as provide funding for additional six month period.

**(3) name and address of the proposed contractor's principal owner(s) :**

(not required if proposed contractor is a state education institution)

1420 Centerpoint Blvd., Knoxville, TN 37932

**(4) documentation of OIR endorsement of the Non-Competitive procurement request :**

(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :**

(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :**

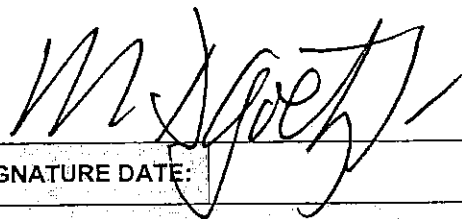
This Contractor is currently providing a network of services for the TennCare Program. This is an amendment to current contract.

**(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :**

The Bureau of TennCare is currently modifying all of the MCO contracts to provide specific language changes for clarity and compliance with current changes in the TennCare program. These MCO contracts provide necessary Health Care Services to the TennCare/Medicaid Population and TennCare would greatly appreciate approval by the Commissioner of F&A.

**AGENCY HEAD REQUEST SIGNATURE:**

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE:

# CONTRACT SUMMARY SHEET

|   |   |   |                         |
|---|---|---|-------------------------|
| RES Number:   | 318.66-032  | Contract Number:  | FA-02-14863-10          |
| State Agency:   | Department of Finance and Administration            | Division:   | Bureau of TennCare      |
| Contractor:   |   | Contract Identification Number:   |                         |
| PREFERRED HEALTH PLAN   |   | <input type="checkbox"/> V-<br><input type="checkbox"/> C-  |                         |
| Service Description:  |   |   |                         |
| Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population |   |   |                         |
| Contract Begin Date:  |   | Contract End Date:  |                         |
| 7/1/2001  |   | 12/31/2006  |                         |
| Allotment Code:   | Cost Center:  | Object Code:  | Fund:                   |
| 318.66  | 4A9   | 134   | 11                      |
|   |   | <input type="checkbox"/> STARS  |                         |
| FY:   | State Funds   | Federal Funds   | Interdepartmental Funds |
| 2002  | \$ 78,953,471.00                                    | \$ 138,414,473.00   |                         |
| 2003  | \$ 64,946,700.00                                    | \$ 111,774,800.00   |                         |
| 2004  | \$ 83,013,699.12                                    | \$ 150,598,884.55   |                         |
| 2005  | \$ 97,326,850.00                                    | \$ 165,451,350.00   |                         |
| 2006  | \$ 97,326,850.00                                    | \$ 165,451,350.00   |                         |
| 2007  | \$ 54,608,467.00                                    | \$ 100,133,576.00   |                         |
| Total   | \$476,176,037.12                                    | \$ 831,824,433.55   |                         |
| CFDA:   | 93.778 Title XIX Dept. of Health and Human Services |   |                         |
| State Fiscal Contract   |   | Check the box ONLY if the answer is YES:  |                         |
| Name: Scott Pierce  |   | Is the Contractor a SUBRECIPIENT? (per OMB/A-133)   |                         |
| Address: 729 Church Street  |   | Is the Contractor a Vendor? (per OMB/A-133)   |                         |
| Phone: Nashville, TN  |   | Is the Fiscal Year Funding STRICTLY LIMITED?  |                         |
| (615)532-1362   |   | Is the Contractor on STARS?   |                         |
| Procuring Agency/Budget Officer Approval Signature:   |   | Is the Contractor's FORM W-9 ATTACHED?  |                         |
| Scott Pierce  |   | Is the Contractor's Form W-9 Filed with Accounts?   |                         |
| COMPLETE FOR ALL AMENDMENTS (only):   |   | Funding Certification   |                         |
| Base Contract & Prior Amendments  | This Amendment ONLY                                 | Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred. |                         |
| END DATE: 12/31/2006  |   |   |                         |
| FY: 02  | \$217,367,944.00                                    |   |                         |
| FY: 03  | \$176,721,500.00                                    |   |                         |
| FY: 04  | \$233,612,583.67                                    |   |                         |
| FY: 05  | \$262,778,200.00                                    |   |                         |
| FY: 06  | \$262,778,200.00                                    |   |                         |
| FY: 07  | \$131,389,100.00                                    |   |                         |
| Total   | \$1,284,647,527.67                                  | \$23,352,943.00   |                         |

# CONTRACT SUMMARY SHEET

|              |  |                                |                    |
|--------------|--|--------------------------------|--------------------|
| RIS Number   | 318.66-032                               | Contract Number                | FA-02-14863-09     |
| State Agency | Department of Finance and Administration | Division                       | Bureau of TennCare |
| Contractor   |  | Contract Identification Number |                    |

PREFERRED HEALTH PLAN

☐ V-  
☐ C-

Service Description  
Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

|                     |          |                   |            |
|---------------------|----------|-------------------|------------|
| Contract Begin Date | 7/1/2001 | Contract End Date | 12/31/2006 |
|---------------------|----------|-------------------|------------|


|                 |             |             |      |                                |            |               |
|-----------------|-------------|-------------|------|--------------------------------|------------|---------------|
| Allocation Code | Cost Center | Object Code | Fund | Grant                          | Grant Code | Subgrant Code |
| 318.66          | 419         | 134         | 11   | <input type="checkbox"/> STARS |            |               |

| FY    | State Funds       | Federal Funds     | Interdepartmental Funds | Other Funding | Total Contract Amount including All Amendments |
|-------|-------------------|-------------------|-------------------------|---------------|--|
| 2002  | \$ 78,953,471.00  | \$ 138,414,473.00 |                         |               | \$ 217,367,944.00                              |
| 2003  | \$ 64,946,700.00  | \$ 111,774,800.00 |                         |               | \$ 176,721,500.00                              |
| 2004  | \$ 83,013,699.12  | \$ 150,598,884.55 |                         |               | \$ 233,612,583.67                              |
| 2005  | \$ 97,326,850.00  | \$ 165,451,350.00 |                         |               | \$ 262,778,200.00                              |
| 2006  | \$ 97,326,850.00  | \$ 165,451,350.00 |                         |               | \$ 262,778,200.00                              |
| 2007  | \$ 46,370,500.00  | \$ 85,018,600.00  |                         |               | \$ 131,389,100.00                              |
| Total | \$ 467,938,070.12 | \$ 816,709,457.55 |                         |               | \$ 1,284,647,527.67                            |

OCR RELEASED  
MAR 31 2006  
TO ACCOUNTS

|       |   |   |
|-------|---|---|
| CFDA# | 93.778 Title XIX Dept. of Health and Human Services | Check the box ONLY if the answer is YES |
|-------|---|---|

|                            |   |
|----------------------------|---|
| State Fiscal Contract      | Is the Contractor a SUBRECIPIENT? (per OMB A-133) |
| Name: Scott Pierce         | Is the Contractor a Vendor? (per OMB A-133)       |
| Address: 729 Church Street | Is the Fiscal Year Ending STRICTLY ADHERED?       |
| Phone: Nashville, TN       |   |
| (615) 532-1362             |   |

|   |   |
|---|---|
| Procuring Agency Budget Officer Approval Signature                                  | Is the Contractor on STARS?                       |
| Scott Pierce  | Is the Contractor's FORM 990 ATTACHED?            |
|  | Is the Contractor's Form W-9 filed with accounts? |

| COMPLETE FOR ALL AMENDMENTS (only) |                                  |                     | Funding Certification   |  |
|------------------------------------|----------------------------------|---------------------|---|--|
| END DATE                           | Base Contract & Prior Amendments | This Amendment ONLY | Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred. |  |
| FY: 02                             | \$217,367,944.00                 |                     |   |  |
| FY: 03                             | \$176,721,500.00                 |                     |   |  |
| FY: 04                             | \$233,612,583.67                 |                     |   |  |
| FY: 05                             | \$262,778,200.00                 |                     |   |  |
| FY: 06                             | \$262,778,200.00                 |                     |   |  |
| FY: 07                             | \$131,389,100.00                 |                     |   |  |
| Total                              | \$1,284,647,527.67               | \$0.00              |   |  |

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FISCAL REVIEW

MANAGEMENT SERVICES  
OFFICE OF  
COMPTROLLER'S OFFICE

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# CONTRACT SUMMARY SHEET

|              |  |                                |                    |
|--------------|--|--------------------------------|--------------------|
| NFS Number   | 318.66-032                               | Contract Number                | FA-02-14863-08     |
| State Agency | Department of Finance and Administration | Division                       | Bureau of TennCare |
| Contractor   |  | Contract Identification Number |                    |

PREFERRED HEALTH PLAN

☐ V-  
☐ C-

Service Description

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

|                     |          |                   |            |
|---------------------|----------|-------------------|------------|
| Contract Begin Date | 7/1/2001 | Contract End Date | 12/31/2006 |
|---------------------|----------|-------------------|------------|

| Alignment Code | Cost Center       | Object Code       | Fund                    | Grant                          | Grant Code                                       | Subgrant Code |
|----------------|-------------------|-------------------|-------------------------|--------------------------------|--|---------------|
| 318.66         | 419               | 134               | 11                      | <input type="checkbox"/> STARS |  |               |
| FY             | State Funds       | Federal Funds     | Interdepartmental Funds | Other Funding                  | Total Contract Amount (including all amendments) |               |
| 2002           | \$ 78,953,471.00  | \$ 138,414,473.00 |                         |                                | \$ 217,367,944.00                                |               |
| 2003           | \$ 64,946,700.00  | \$ 111,774,800.00 |                         |                                | \$ 176,721,500.00                                |               |
| 2004           | \$ 83,013,699.12  | \$ 150,598,884.55 |                         |                                | \$ 233,612,583.67                                |               |
| 2005           | \$ 97,326,850.00  | \$ 165,451,350.00 |                         |                                | \$ 262,778,200.00                                |               |
| 2006           | \$ 97,326,850.00  | \$ 165,451,350.00 |                         |                                | \$ 262,778,200.00                                |               |
| 2007           | \$ 46,370,500.00  | \$ 85,018,600.00  |                         |                                | \$ 131,389,100.00                                |               |
| Total          | \$ 467,938,070.12 | \$ 816,709,457.55 |                         |                                | \$ 1,284,647,527.67                              |               |

|  |   |   |
|--|---|---|
| CEDAY  | 93.778 Title XIX Dept. of Health and Human Services | Check the box ONLY if the answer is YES           |
| State Fiscal Contract                              |   | Is the Contractor a SUBRECIPIENT? (per OMB A-153) |
| Name: Scott Pierce                                 |   | Is the Contractor a Vendor? (per OMB A-153)       |
| Address: 310 Great Circle Road                     |   | Is the fiscal year funding STRICTLY LIMITED?      |
| Phone: Nashville, TN (615)507-6415                 |   | Is the contractor on STARS?                       |
| Procuring Agency Budget Officer Approval Signature |   | Is the contractor's FORM W-9 ATTACHED?            |
| Scott Pierce                                       |   | Is the contractor's Form W-9 Filed with Accounts? |

| COMPLETE FOR ALL AMENDMENTS (only) |                    |        | Funding Certification   |
|------------------------------------|--------------------|--------|---|
| Base Contract & Prior Amendments   | Amendment ONLY     |        | Pursuant to T.C.A., Section 9-6-113; I. M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred. |
| END DATE                           | 12/31/2006         |        |   |
| FY: 02                             | \$217,367,944.00   |        |   |
| FY: 03                             | \$176,721,500.00   |        |   |
| FY: 04                             | \$233,612,583.67   |        |   |
| FY: 05                             | \$262,778,200.00   |        |   |
| FY: 06                             | \$262,778,200.00   |        |   |
| FY: 07                             | \$131,389,100.00   |        |   |
| Total                              | \$1,284,647,527.67 | \$0.00 |   |

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FISCAL REVIEW

RECEIVED  
DEC 29 2005  
Office of Contracts Review  
COM TIOU LER  
OFFICE OF  
MANAGEMENT SERVICES  
2006 JAN -3 AM 10:00

# REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance &amp; Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS # 318.66-032

STATE AGENCY NAME: Department of Finance and Administration, Bureau of TennCare

SERVICE CAPTION: Managed Care Organization Services/Medically Necessary Health Care Services to the TennCare/Medicaid Population

CONTRACT # FA-02-14863-00

PROPOSED AMENDMENT # 7

CONTRACTOR: Preferred Health Plan

CONTRACT START DATE: July 1, 2001

CURRENT, LATEST POSSIBLE END DATE: 12/31/2006  
(including ALL options to extend)

CURRENT MAXIMUM LIABILITY: \$1,284,647,527.67

LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT: 12/31/2006  
(including ALL options to extend)TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT: \$1,284,647,527.67  
(including ALL options to extend)APPROVAL CRITERIA: ☒ use of Non-Competitive Negotiation is in the best interest of the state  
(select one)☐ only one uniquely qualified service provider able to provide the service

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects:

Implements the TennCare Reform language as approved by CMS and the courts; Requires NCQA accreditation; strengthens conflict of interest disclosure requirements; strengthens MCO financial requirements; lowers the administrative fee to mirror TennCare Select; as well as various other housekeeping issues involving language clarifications.



(2) explanation of need for the proposed amendment :

Due to TennCare changes recently approved by CMS and courts, it is necessary to amend the MCO contracts to conform to changes as well as providing needed amended financial requirements and language clarifications.

(3) name and address of the proposed contractor's principal owner(s) :  
(not required if proposed contractor is a state education institution)

1420 Centerpoint Blvd., Knoxville, TN 37932

(4) documentation of OIR endorsement of the Non-Competitive procurement request :  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

This Contractor is currently providing a network of services for the TennCare Program. This is an amendment to current contract.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

The Bureau of TennCare is attempting to modify all of the MCO contracts to conform to recent changes in the Program. This amendment will allow continuation of services to the enrollees and further clarify their responsibilities, as well as modify financial administration requirements. TennCare would greatly appreciate the approval of this amendment by the Department of Finance and Administration.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)

SIGNATURE DATE:

6-15-05



|  |            |                    |
|--|------------|--------------------|
| APIS Number                              | 318.66-032 | FA-02-14863-07     |
| Department of Finance and Administration |            | Bureau of TennCare |

|                       |  |
|-----------------------|--|
| PREFERRED HEALTH PLAN | <input type="checkbox"/> V-<br><input type="checkbox"/> C- |
|-----------------------|--|

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

|          |            |
|----------|------------|
| 7/1/2001 | 12/31/2006 |
|----------|------------|

|        |                   |                   |    |                                |    |                  |
|--------|-------------------|-------------------|----|--------------------------------|----|------------------|
| 318.66 | 419               | 134               | 11 | <input type="checkbox"/> STARS |    |                  |
| 2002   | \$ 78,953,471.00  | \$ 138,414,473.00 |    |                                | \$ | 217,367,944.00   |
| 2003   | \$ 64,946,700.00  | \$ 111,774,800.00 |    |                                | \$ | 176,721,500.00   |
| 2004   | \$ 83,013,699.12  | \$ 150,598,884.55 |    |                                | \$ | 233,612,583.67   |
| 2005   | \$ 97,326,850.00  | \$ 165,451,350.00 |    |                                | \$ | 262,778,200.00   |
| 2006   | \$ 97,326,850.00  | \$ 165,451,350.00 |    |                                | \$ | 262,778,200.00   |
| 2007   | \$ 46,370,500.00  | \$ 85,018,600.00  |    |                                | \$ | 131,389,100.00   |
|        | \$ 467,938,070.12 | \$ 816,709,457.55 |    |                                | \$ | 1,284,647,527.67 |

93.778 Title XIX Dept. of Health and Human Services

Scott Pierce  
729 Church Street  
Nashville, TN  
(615)532-1382

Scott Pierce

|        |                    |        |
|--------|--------------------|--------|
|        | 12/31/2006         |        |
| FY: 02 | \$217,367,944.00   |        |
| FY: 03 | \$176,721,500.00   |        |
| FY: 04 | \$233,612,583.67   |        |
| FY: 05 | \$262,778,200.00   |        |
| FY: 06 | \$262,778,200.00   |        |
| FY: 07 | \$131,389,100.00   |        |
|        | \$1,284,647,527.67 | \$0.00 |

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

318.66-032

FA-02-14869-06

Department of Finance and Administration

Bureau of TennCare

PREFERRED HEALTH PLAN

☐ V-  
☐ C-

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

7/1/2001

12/31/2006

318.66

419

134

11

☐ STAR5

|      |                   |                   |  |                     |
|------|-------------------|-------------------|--|---------------------|
| 2002 | \$ 78,953,471.00  | \$ 138,414,473.00 |  | \$ 217,367,944.00   |
| 2003 | \$ 84,946,700.00  | \$ 111,774,800.00 |  | \$ 176,721,500.00   |
| 2004 | \$ 83,013,698.12  | \$ 150,698,884.65 |  | \$ 233,612,583.67   |
| 2005 | \$ 97,326,850.00  | \$ 185,451,350.00 |  | \$ 262,778,200.00   |
| 2006 | \$ 97,326,850.00  | \$ 185,451,350.00 |  | \$ 262,778,200.00   |
| 2007 | \$ 46,370,500.00  | \$ 85,018,800.00  |  | \$ 131,389,100.00   |
|      | \$ 467,938,070.12 | \$ 818,708,457.65 |  | \$ 1,284,647,527.67 |
|      | 93.778            |                   |  |                     |

Scott Pierce  
 728 Church Street  
 Nashville, TN  
 (615)532-1362

Scott Pierce



|        | 12/31/2005       | 12/31/2006       |
|--------|------------------|------------------|
| FY: 02 | \$217,367,944.00 |                  |
| FY: 03 | \$176,721,500.00 |                  |
| FY: 04 | \$233,612,583.67 |                  |
| FY: 05 | \$233,612,583.67 | \$29,185,816.33  |
| FY: 06 | \$116,808,291.83 | \$145,971,908.17 |
| FY: 07 |                  | \$131,389,100.00 |
|        | \$978,120,803.17 | \$308,526,824.50 |

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

# CONTRACT SUMMARY SHEET

|                 |  |                                |                    |
|-----------------|--|--------------------------------|--------------------|
| Contract Number | 318.66-032                               | Contract Number                | FA-02-14863-05     |
| State Agency    | Department of Finance and Administration | Vendor                         | Bureau of TennCare |
| Contract        |  | Contract Identification Number |                    |

PREFERRED HEALTH PLAN

☐ V-  
☐ C-

Service Description

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

|                     |          |                   |            |
|---------------------|----------|-------------------|------------|
| Contract Begin Date | 7/1/2001 | Contract End Date | 12/31/2005 |
|---------------------|----------|-------------------|------------|

| Contract Year | Cost Center      | Project Code      | FY     | Contract Type                  | Contract Code | Subgrant Code  |
|---------------|------------------|-------------------|--------|--------------------------------|---------------|----------------|
| 318.66        | 419              | 134               | 11     | <input type="checkbox"/> STARS |               |                |
| FY            | Start Date       | End Date          | Amount | Amount                         | Amount        | Amount         |
| 2002          | \$ 78,953,471.00 | \$ 138,414,473.00 |        |                                | \$            | 217,367,944.00 |
| 2003          | \$ 64,946,700.00 | \$ 111,774,800.00 |        |                                | \$            | 176,721,500.00 |
| 2004          | \$ 83,013,699.12 | \$ 150,598,884.55 |        |                                | \$            | 233,612,583.67 |
| 2005          | \$ 83,013,699.12 | \$ 150,598,884.55 |        |                                | \$            | 233,612,583.67 |
| 2006          | \$ 41,506,849.56 | \$ 75,299,442.28  |        |                                | \$            | 116,806,291.83 |
| Total         | \$351,434,418.79 | \$ 626,686,484.38 |        |                                | \$            | 978,120,903.17 |

|   |                   |               |        |
|---|-------------------|---------------|--------|
| Contract  | 93.778            | Contract Type | STARS  |
| Contract  | 93.778            | Contract Type | STARS  |
| Name  | Dean Daniel       | Contract      | 93.778 |
| Address   | 729 Church Street | Contract      | 93.778 |
| City  | Nashville, TN     | Contract      | 93.778 |
| Phone   | (615)532-1362     | Contract      | 93.778 |
| Contract Agency Budget Officer Approval Signature |                   | Contract      | 93.778 |
| Dean Daniel                                       |                   | Contract      | 93.778 |

| COMPLETION FOR ALL AMENDMENTS (ONLY) |           |        |
|--------------------------------------|-----------|--------|
| DATE                                 | AMENDMENT | AMOUNT |
| 12/31/2005                           |           |        |
| FY: 02                               |           |        |
| FY: 03                               |           |        |
| FY: 04                               |           |        |
| FY: 05                               |           |        |
| FY: 06                               |           |        |
| Total                                | \$0.00    | \$0.00 |

Pursuant to T.C.A., Section 8-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

RECEIVED  
2004 JUN 25 AM 10:23  
COMPTROLLER'S OFFICE  
OFFICE OF  
MANAGEMENT SERVICES

# CONTRACT SUMMARY SHEET

|                 |  |                |                    |
|-----------------|--|----------------|--------------------|
| Contract Number | 318.66-032                               | Contract Title | FA-02-14863-04     |
| Agency          | Department of Finance and Administration | Office         | Bureau of TennCare |

|                      |                       |               |  |
|----------------------|-----------------------|---------------|--|
| Contract Description | PREFERRED HEALTH PLAN | Contract Type | <input type="checkbox"/> V-<br><input type="checkbox"/> C- |
|----------------------|-----------------------|---------------|--|

Service Description: Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

|                     |          |                   |            |
|---------------------|----------|-------------------|------------|
| Contract Start Date | 7/1/2001 | Contract End Date | 12/31/2005 |
|---------------------|----------|-------------------|------------|

| Contract Number | FY 02            | FY 03             | FY 04 | FY 05 | FY 06             | STARS                    |
|-----------------|------------------|-------------------|-------|-------|-------------------|--------------------------|
| 318.66          | 419              | 134               | 11    |       |                   | <input type="checkbox"/> |
| 2002            | \$ 78,953,471.00 | \$ 138,414,473.00 |       |       | \$ 217,367,944.00 |                          |
| 2003            | \$ 64,946,700.00 | \$ 111,774,800.00 |       |       | \$ 176,721,500.00 |                          |
| 2004            | \$ 83,013,699.12 | \$ 150,598,884.55 |       |       | \$ 233,612,583.67 |                          |
| 2005            | \$ 83,013,699.12 | \$ 150,598,884.55 |       |       | \$ 233,612,583.67 |                          |
| 2006            | \$ 41,506,849.56 | \$ 75,299,442.28  |       |       | \$ 116,806,291.83 |                          |
|                 | \$351,434,418.79 | \$ 626,686,484.38 |       |       | \$ 978,120,903.17 |                          |

|                  |  |
|------------------|--|
| Contract Manager | Dean Daniel<br>729 Church Street<br>Nashville, TN<br>(615)532-1362 |
|------------------|--|

Dean Daniel *Dean Daniel* 12/23/03

| FY     | 12/31/2005       | Balance |
|--------|------------------|---------|
| FY: 02 | \$217,367,944.00 | \$0.00  |
| FY: 03 | \$176,721,500.00 | \$0.00  |
| FY: 04 | \$233,612,583.67 | \$0.00  |
| FY: 05 | \$233,612,583.67 | \$0.00  |
| FY: 06 | \$116,806,291.83 | \$0.00  |
|        | \$978,120,903.17 | \$0.00  |

Pursuant to T.C.A., Section 8-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

COPIES OF THIS CONTRACT SUMMARY SHEET  
SHALL BE FURNISHED TO THE  
BUREAU OF TENNCARE  
AND THE BUREAU OF MEDICAID

# CONTRACT SUMMARY SHEET

|  |            |                    |                |
|--|------------|--------------------|----------------|
| Contract Number                          | 318-66-032 | Contract Number    | FA-02-14863-03 |
| Department of Finance and Administration |            | Bureau of TennCare |                |
| Contract Identification Number           |            |                    |                |

**REFERRED HEALTH PLAN**

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Start Date: 7/1/2001

Contract End Date: 12/31/2005

|        |                  |                   |    |                                |    |                |
|--------|------------------|-------------------|----|--------------------------------|----|----------------|
| 318.66 | 419              | 134               | 11 | <input type="checkbox"/> STARS |    |                |
| 2002   | \$ 78,953,471.00 | \$ 138,414,473.00 |    |                                | \$ | 217,367,944.00 |
| 2003   | \$ 64,946,700.00 | \$ 111,774,800.00 |    |                                | \$ | 176,721,500.00 |
| 2004   | \$ 83,013,699.12 | \$ 150,598,884.55 |    |                                | \$ | 233,612,583.67 |
| 2005   | \$ 83,013,699.12 | \$ 150,598,884.55 |    |                                | \$ | 233,612,583.67 |
| 2006   | \$ 41,506,849.56 | \$ 75,299,442.28  |    |                                | \$ | 116,806,291.83 |
| Total  | \$351,434,418.79 | \$ 626,686,484.38 |    |                                | \$ | 978,120,903.17 |

93.778

Dean Daniel  
729 Church Street  
Nashville, TN  
(615)532-1362

Dean Daniel *Dean Daniel 6/30/03*

|        | 12/31/2005       |                  |
|--------|------------------|------------------|
| FY: 02 | \$217,367,944.00 | \$0.00           |
| FY: 03 | \$176,721,500.00 | \$0.00           |
| FY: 04 | \$176,721,500.00 | \$56,891,083.67  |
| FY: 05 | \$176,721,500.00 | \$56,891,083.67  |
| FY: 06 | \$88,380,750.00  | \$28,445,541.83  |
| Total  | \$835,893,194.00 | \$142,227,709.17 |

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

**RECEIVED**  
JUN 30 2003  
Office of Contracts Review

| CONTRACT SUMMARY SHEET  |   |                   |                  |                                |                |  |
|---|---|-------------------|------------------|--------------------------------|----------------|--|
|   |   |                   |                  | FA-02-14863-02                 |                |  |
| Department of Finance and Administration  |   |                   |                  | Bureau of TennCare             |                |  |
| Account Classification  |   |                   |                  | Funding Identification Number  |                |  |
| <b>PREFERRED HEALTH PLAN</b>  |   |                   |                  | <input type="checkbox"/> V-    |                |  |
| <input type="checkbox"/> C-   |   |                   |                  |                                |                |  |
| Contract Description:   |   |                   |                  |                                |                |  |
| Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population   |   |                   |                  |                                |                |  |
| Contract Period:  |   |                   |                  | Contract End Date:             |                |  |
| 7/1/01  |   |                   |                  | 12/31/05                       |                |  |
| Allocated Funds   | Funds Available                                     | Contract Value    | Amount Obligated | <input type="checkbox"/> STARS |                |  |
| 318.66  | 419   | 134               | 11               |                                |                |  |
| Financial Summary - Total Contract Value  |   |                   |                  |                                |                |  |
| Year  | State Funds   | Federal Funds     | Total Funds      |                                |                |  |
| 2002  | \$ 78,953,471.00                                    | \$ 138,414,473.00 |                  | \$                             | 217,367,944.00 |  |
| 2003  | \$ 64,946,700.00                                    | \$ 111,774,800.00 |                  | \$                             | 176,721,500.00 |  |
| 2004  | \$ 64,946,700.00                                    | \$ 111,774,800.00 |                  | \$                             | 176,721,500.00 |  |
| 2005  | \$ 64,946,700.00                                    | \$ 111,774,800.00 |                  | \$                             | 176,721,500.00 |  |
| 2006  | \$ 32,473,350.00                                    | \$ 55,887,400.00  |                  | \$                             | 88,360,750.00  |  |
| Total   | \$ 306,266,921.00                                   | \$ 529,626,273.00 |                  | \$                             | 835,893,194.00 |  |
| 93.77%  |   |                   |                  |                                |                |  |
| Contract Administrator:   |   |                   |                  |                                |                |  |
| Name  | Dean Daniel   |                   |                  |                                |                |  |
| Address   | 729 Church Street<br>Nashville, TN<br>(615)532-1362 |                   |                  |                                |                |  |
| Approval Agency Financial Officer Approval Signature:   |   |                   |                  |                                |                |  |
| Jean Daniel   |   |                   |                  | <i>Dean Daniel 7/1/02</i>      |                |  |
| Pursuant to T.C.A., Section 8-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred. |   |                   |                  |                                |                |  |
| Y: 02   |   |                   |                  |                                |                |  |
| Y: 03   |   |                   |                  |                                |                |  |
| Y: 04   |   |                   |                  |                                |                |  |
| Y: 05   |   |                   |                  |                                |                |  |
| Y: 06   |   |                   |                  |                                |                |  |
|   |   |                   |                  | \$0.00                         | \$0.00         |  |

# CONTRACT SUMMARY SHEET

|                 |  |
|-----------------|--|
| Contract Number | FA-02-14863-01                           |
| State Agency    | Department of Finance and Administration |
| Division        | Bureau of TennCare                       |
| Contractor      | TennCare Health Plan, Inc.               |

PREFERRED HEALTH PLAN

☐ V-  
☐ C-

Service Description

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Effective Date: 7/1/01 Contract End Date: 12/31/05

| Contract Code | Contract Code           | Contract Code            | Contract Code    | Contract Code                  | Contract Code            |
|---------------|-------------------------|--------------------------|------------------|--------------------------------|--------------------------|
| 318.66        | 419                     | 134                      | 11               | <input type="checkbox"/> STARS |                          |
| Year          | State Funds             | Federal Funds            | Private Payments | Other Payments                 | Total Contract Amount    |
| 2002          | \$ 78,953,471.00        | \$ 138,414,473.00        |                  |                                | \$ 217,367,944.00        |
| 2003          | \$ 64,946,700.00        | \$ 111,774,800.00        |                  |                                | \$ 176,721,500.00        |
| 2004          | \$ 64,946,700.00        | \$ 111,774,800.00        |                  |                                | \$ 176,721,500.00        |
| 2005          | \$ 64,946,700.00        | \$ 111,774,800.00        |                  |                                | \$ 176,721,500.00        |
| 2006          | \$ 32,473,350.00        | \$ 55,887,400.00         |                  |                                | \$ 88,360,750.00         |
| <b>Total</b>  | <b>\$306,266,921.00</b> | <b>\$ 529,626,273.00</b> |                  |                                | <b>\$ 835,893,194.00</b> |

|            |  |
|------------|--|
| Contractor | Dean Daniel<br>729 Church Street<br>Nashville, TN<br>(615)332-1362 |
|------------|--|

san Daniel *Dean Daniel 7/1/02*

| Contract Code    | Contract Code    | Contract Code    | Contract Code    | Contract Code    | Contract Code     |
|------------------|------------------|------------------|------------------|------------------|-------------------|
| 02               | 03               | 04               | 05               | 06               | Total             |
| \$217,367,944.00 | \$217,367,944.00 | \$217,367,944.00 | \$217,367,944.00 | \$108,683,973.00 | \$978,155,749.00  |
| \$0.00           | -\$40,646,444.00 | -\$40,646,444.00 | -\$40,646,444.00 | -\$20,323,223.00 | -\$142,262,555.00 |

Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.